# FIFTEENTH ANNUAL REPORT

# CAROLINA, CLINCHFIELD AND OHIO RAILWAY

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FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1925

# CAROLINA, CLINCHFIELD AND OHIO RAILWAY

## BOARD OF DIRECTORS

| | |
|---|---|
| N. S. MELDRUM, *Chairman*, | *New York, N. Y.* |
| EDWARD C. BAILLY | *New York, N. Y.* |
| C. LEDYARD BLAIR | *New York, N. Y.* |
| M. N. BUCKNER | *New York, N. Y.* |
| JOHN B. DENNIS | *New York, N. Y.* |
| W. W. MILLER | *New York, N. Y.* |
| J. W. PLESS | *Marion, N. C.* |
| W. M. RITTER | *Columbus, Ohio* |
| H. H. VREELAND | *New York, N. Y.* |

## OFFICERS

| | |
|---|---|
| JOHN B. DENNIS | *President* |
| EDWARD C. BAILLY | *Vice-President* |
| C. LEDYARD BLAIR | *Vice-President* |
| T. J. CUNNINGHAM | *Sec'y & Treas.* |
| WARREN P. EATON | *Ass't Sec'y & Ass't Treas.* |

HORNBLOWER, MILLER & GARRISON — *General Counsel*

NEW YORK OFFICE — 24 Broad Street

# FIFTEENTH ANNUAL REPORT

New York, April 24, 1926.

*To the Stockholders of*

CAROLINA, CLINCHFIELD AND OHIO RAILWAY:

The Fifteenth Annual Report of the Board of Directors, for the fiscal year ended December 31, 1925, is submitted herewith.

## MILEAGE

The mileage owned by Carolina, Clinchfield and Ohio Railway and its subsidiaries, Carolina, Clinchfield and Ohio Railway of South Carolina and Clinchfield Northern Railway of Kentucky, is as follows:

| | *Miles* |
|---|---|
| Carolina, Clinchfield and Ohio Railway: | |
| Main line: Ky.-Va. State Line to N. C.-S. C. State Line | 255.97 |
| Branch lines: Carbo, Va., to Wilder, Va. | 8.40 |
| Hurricane Junction, Va., to Shaft, Va. | 1.20 |
| Bostic Yard, N. C., to Junction S. A. L. Railway | .79 |
| Carolina, Clinchfield and Ohio Railway of South Carolina: | |
| Main line: N. C.-S. C. State Line to Spartanburg, S. C. | 18.09 |
| Clinchfield Northern Railway of Kentucky: | |
| Main line: Elkhorn City, Ky., to Ky.-Va. State Line | 2.79 |
| Total | 287.24 |

The foregoing mileage was leased for a period of 999 years, from May 11, 1923, to the Atlantic Coast Line Railroad Company and Louisville & Nashville Railroad Company, under an Indenture dated October 16, 1924, and during the year 1925 was operated by the said Lessees under the name of "Clinchfield Railroad Company."

In addition to the foregoing mileage, the Lessees also operate the following mileage under trackage rights formerly held by Carolina, Clinchfield and Ohio Railway:

| | *Miles* |
|---|---|
| Norfolk & Western Railway, Carbo, Va., to St. Paul, Va. | 8.45 |
| Southern Railway, Frisco., Tenn., to Albert Yard, Va. | 13.60 |
| Total | 22.05 |

This makes the total mileage operated by the Lessees, under the Lease, 309.29 miles.

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## LESSORS' INCOME ACCOUNT

The condensed, combined income account of Carolina, Clinchfield and Ohio Railway, Carolina, Clinchfield and Ohio Railway of South Carolina and Clinchfield Northern Railway of Kentucky, for the year ended December 31, 1925, is as follows:

| | |
|---|---|
| Rental—account dividend | $750,000.00 |
| Other Rental—account interest on funded debt, etc. | 1,559,475.35 |
| Total Income | $2,309,475.35 |

DEDUCTIONS:

| | |
|---|---|
| Interest on Funded Debt | $1,519,453.80 |
| Other deductions | 37,967.85 |
| Total Deductions | $1,557,421.65 |
| Net Income | $752,053.70 |
| Dividends paid or appropriated | 750,000.00 |
| Balance | $2,053.70 |

The members of the Board desire to record their profound sorrow for the deaths of Judge Hugh G. Morison, for many years General Solicitor of the Company, and Daniel B. Wentz, a Director.

For the Board of Directors,

JOHN B. DENNIS, *President.*

**RESULTS OF OPERATION BY LESSEES**

The summary of the results of operation of the leased properties for the fiscal year ended December 31, 1925, as reported by the Lessees, is as follows:

| | | |
|---|---|---|
| Operating Revenues | | $8,759,853.31 |
| Operating Expenses | | 5,727,048.55 |
| Net Revenue from Railway Operations | | $3,032,804.76 |
| Railway Tax Accruals | $760,000.00 | |
| Uncollectible Railway Revenues | 349.20 | 760,349.20 |
| Railway Operating Income | | $2,272,455.56 |
| Equipment Rents | $1,017,338.20 | |
| Joint Facility Rents | *Dr.* *27,354.30* | 989,983.90 |
| Net Railway Operating Income | | $3,262,439.46 |
| Non-operating Income | | 332,028.69 |
| Gross Income | | $3,594,468.15 |
| Deductions from Gross Income (including fixed charges and dividend rental) | | 2,300,182.94 |
| Net Income | | $1,294,285.21 |

CAROLINA, CLINCHFIELD AND OHIO RAILWAY
CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA AND CLINCHFIELD NORTHERN RAILWAY OF KENTUCKY
CONSOLIDATED GENERAL BALANCE SHEET
DECEMBER 31, 1925

| | |
|---|---|
| **ASSETS** | |
| Investment in Road and Equipment | $70,241,580.67 |
| Cash | 3,950.80 |
| Miscellaneous Accounts Receivable | 198,500.00 |
| Working Fund Advances | 100.00 |
| Other Deferred Assets | 7,306,478.55 |
| TOTAL | $77,750,610.02 |
| **LIABILITIES** | |
| Capital Stock | $25,000,000.00 |
| Funded Debt Unmatured | 27,750,000.00 |
| Unmatured Dividends Declared | 187,500.00 |
| Tax Liability | 11,000.00 |
| Accrued Depreciation—Equipment | 3,019,865.78 |
| Additions to Property through Income and Surplus | 66,898.42 |
| Profit and Loss—Credit Balance | 21,715,345.82 |
| TOTAL | $77,750,610.02 |

## STATEMENT OF FUNDED DEBT AND EQUIPMENT OBLIGATIONS, DECEMBER 31, 1925

| Liens Created by | Character of Lien | Amount Outstanding | Date of Maturity | Rate Per Annum | Date Payable | Interest Accrued During Year |
|---|---|---|---|---|---|---|
| Carolina, Clinchfield and Ohio Ry. | First Mortgage 30-Year Gold Bonds (1) | $13,950,000 | June 1, 1938 | 5% | June and Dec. | $697,500.00 |
| Carolina, Clinchfield and Ohio Ry. | First and Consolidated Mortgage Gold Bonds, Series A | 8,000,000 | Dec. 15, 1952 | 6% | June 15 and Dec. 15 | 480,000.00 |
| Lick Creek and Lake Erie R. R. Co. | First Mortgage Gold Bonds (2) | 200,000 | Jan. 1, 1933 | 5% | Jan. and July | 9,750.00 |
| Carolina, Clinchfield and Ohio Ry. | Equipment Trust Notes Series F | 114,000 | $38,000 matures Jan. 1st and July 1st | 5% | Jan. and July | 6,650.00 |
| Carolina, Clinchfield and Ohio Ry. | Equipment Trust Certificates, Series G. | 126,000 | $42,000 matures April 1st and Oct. 1st | 5% | April and Oct. | 8,400.00 |
| Carolina, Clinchfield and Ohio Ry. | Equipment Trust Notes No. 11 (Equipment allocated by U. S. Government) | 4,140,000 | $414,000 matures annually, Jan. 15th | 6% | Jan. and July | 249,435.00 |
| Carolina, Clinchfield and Ohio Ry. | Equipment Trust Certificates, Series H. | 375,000 | $25,000 matures March 15th and Sept. 15th | 5½% | Mar. 15 and Sept. 15 | 21,885.40 |
| Carolina, Clinchfield and Ohio Ry. | Equipment Trust Certificates, Series I. | 850,000 | $50,000 matures June 1st and Dec. 1st | 5% | June and Dec. | 45,833.40 |
| | Total | $27,755,000 | | | | $1,519,453.80 |

## CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA

| | | | | | | |
|---|---|---|---|---|---|---|
| Carolina, Clinchfield and Ohio Ry. of South Carolina | First Mortgage Gold Bonds (3) | $3,000,000 | June 1, 1938 | 5% | June and Dec. | (3)$150,000.00 |

(1) Does not include $1,050,000 held in treasury.
(2) Includes $5,000 owned by Carolina, Clinchfield and Ohio Railway.
(3) Owned by Carolina, Clinchfield and Ohio Railway.